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Transportation Rates and Their Regulation. By HARRY GUNNISON BROWN. (New York: The Macmillan Company. 1916. Pp. xii, 347. \$1.50.)

Writing from the standpoint of the professional economist, Professor Brown has endeavored to present a complete theory of transportation rates in their relation to commerce. Especial reference has been made throughout to the railroads of the United States, while the aim has been, further, "to illustrate this theory with a sufficient number of concrete cases arising in actual regulation to make the reader or student feel that the presentation is thoroughly practical." For the most part, the ground traversed in this book has been so often covered by other writers as to admit of little opportunity for originality in either subject matter or treatment. It is the opinion of the reviewer, however, that in the broad-minded analysis of rate discrimination, in the refreshing clearness with which the salient principles of rate making and of rate regulation are set forth, and in the more even distribution of emphasis as between the "inner philosophy of rate regulation" and the "mere record of past legislation and description of existing law," the author has produced a work which has much to commend it.

Opening with a classification of the costs of transportation and a discussion of the proper relation between rates and each class of costs, Professor Brown passes, in the second chapter, to a consideration of the competition of transportation companies. This chapter, first published in practically its original form as an article in the *AMERICAN ECONOMIC REVIEW* for December, 1914, treats the topic in a suggestive way, in that the traditional topic of competition of and for markets is discarded for so-called competition of directions and competition of locations, and a further subdivision, entitled "competition against potential local self-sufficiency," is added.

Next follows a description of monopoly conditions and the effect of monopolistic rates on commerce. Attention is then directed to a careful study, in several chapters, of the various kinds of discrimination. The questions most considered are "whether a given level of rates is so high that, like tariff restrictions, it will prevent commerce which ought to take place, or whether it is so low (less than cost) that, like most bounties, it will encourage commerce that ought not to take place, or

whether rates are discriminatory in such a way as to effect commerce injuriously."

In the closing chapters a convenient survey of the development of rate regulation in the United States and of the more important rulings and theories of the Interstate Commerce Commission is given, concluding with a statement of principles regarding the propriety of government interference with transportation.

With the outstanding idea that the fixing of transportation rates is a matter to be entered upon primarily with regard to its probable effect upon the economic welfare of the community, few will be inclined to disagree. The broader aspects of the railway problem, unfortunately not always assigned their true importance by writers in this field, have been kept well to the fore. Much stronger dissent, on the other hand, will undoubtedly be raised to the general free-trade argument that runs through the whole volume, and to a theory of rate making which rests so fundamentally, and yet, in the opinion of the reviewer, with entire justice, upon the cost-of-service principle.

As a supplement to the standard works of Professors Johnson and Ripley, this book will undoubtedly meet with favor among those college instructors who are desirous of introducing their students to a more extended study of "the reasons of public policy which sometimes do, and which always should, lie back of" transportation legislation.

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NEW BOOKS

FERGUSON, M. *State regulation of railroads in the South.* Columbia University studies in history, economics and public law, vol. LXVII, no. 2. (New York: Longmans. 1916. Pp. 221. \$1.75.)

GARTNER, K. K. *Gartner's notes to the interstate commerce commission reports, covering volumes 31 to 34 inclusive, and unreported cases complete.* Supplement, 1916 A. (Louisville, Ky.: Baldwin Law Bk. Co. 1916. Pp. 214. \$5.)

KETCHUM, E. S. *Application of tariffs within and from the official and Canadian classification territories*, pts. 1 and 2. *Industrial traffic departments, organizations, management system and records.* The traffic library, vols. 3, 4, 5. (Chicago: Am. Commerce Assoc. 1916.)

KIRKALDY, A. W. *British shipping. Its history, organisation and importance.* (New York: Dutton. 1914. Pp. ix, 655. \$2.)